

1 **MINUTES OF THE JOINT MEETING OF THE**
2 **BOUNTIFUL CITY COUNCIL AND THE**
3 **BOUNTIFUL CITY LIGHT AND POWER COMMISSION**
4 **February 7, 2012 - 7:00 a.m.**

5
6 **Those in Attendance**

7
8 **Mayor and Council**

9 Mayor Joe L. Johnson
10 Richard Higginson
11 Beth Holbrook
12 John Marc Knight
13 R. Fred Moss
14 Tom Tolman

8 **City Administration**

9 Tom Hardy, City Manager
10 Russell Mahan, City Attorney
11 Galen Rasmussen, Admin. Services Director

15
16 **Power Commission**

17 Lowell Leishman, Chairman
18 John Cushing
19 R. Fred Moss, Council Representative
20 Richard Foster
21 David Irvine
22 Ralph Mabey
23 Jed Pitcher

16 **Power Department**

17 Allen Johnson, Director
18 Jay Christensen
19 Alan Farnes
20 Brent Thomas
21 Matt Youngs

23 **Recording Secretary**

24 Nancy T. Lawrence

25 **WELCOME**

26 Chairman Leishman called the meeting to order at 7:00 a.m. and welcomed those in
27 attendance. The opening prayer was given by Jay Christensen

28
29 **MINUTES – January 24, 2012**

30 Minutes of the Power Commission meeting held January 24, 2012 were presented and
31 unanimously approved as written on a motion made by Commissioner Cushing and seconded by
32 Commissioner Foster.

33
34 **2012-2013 BUDGET PRESENTATION**

35 Mr. Christensen presented the proposed Fiscal Year 2013 budget with revenue and expenses
36 balanced at \$28,399,637.00. Electric metered sales is budgeted at \$23,730,000 or 84 percent of
37 revenue (the same as the current budget but up \$142,814 from the estimated actual for FY 2012),
38 with 8 percent from Air Products and 8 percent from Other. Air Products is budgeted at
39 \$2,253,924, below the current FY by 1.9 percent. Expenditures for Power Resources are budgeted
40 at \$16,273,051, down 3.0 percent from the current year. This reduction is the net result of an
41 increase in the cost of power generation (up \$2,409,627) and a decrease in the cost of resources
42 purchased (down by \$2,914,002). Mr. Christensen reviewed all resources and the estimated
43 resources purchased from each. Firm power resources are CRSP, IPP, the BCLP plant, San Juan,
44 Echo hydro, and PineView hydro, with 39.6% of those resources being green power.

45
46 The proposed budget includes a contribution to the General Fund at 10% of Electric Metered
47 Sales (\$2,373,000); a contribution of \$50,832 to the Rate Stabilization Fund of interest income

1 earned and a transfer from Unappropriated Retained Earnings (\$1,806,100) to fund the 138 kV
2 substation and power plant capital projects. All other Operating Expenses are at \$5,987,271, up 1.7
3 percent. The proposed budget assumes a 2.0% cost of living adjustment, merit increases for 16
4 employees, and increased medical insurance rates. Non-Operating Revenues and Expenses include
5 bond principal and interest payments, interest income on investments and rate stabilization fund.
6

7 Proposed Capital Expenditures of \$2,421,100 include the following projects: installation of
8 a heating system and upgrade of electrical system in office and warehouse; installation of an
9 emergency generator system in the office/warehouse; replacement of a line truck; installation of the
10 river dump valve at the PineView hydro plant; a \$50,000 contingency for capital miscellaneous
11 projects, as needed.; and \$1,806,100 for installation of new equipment at the 138 kV substation and
12 for completion of the power plant project, both funded by transfers from Un-appropriated Retained
13 Earnings.
14

15 Discussion focused on the alternative resource options and the timeline and estimated costs
16 of each; overall, the budget picture will be better this year than last year due to lower power costs.
17

18 Commissioner Cushing made a motion to recommend adoption of the Proposed Bountiful
19 City Light and Power Fiscal Year 2012-13 Budget as presented. Commissioner Foster seconded the
20 motion. Commissioner Pitcher made a motion to amend the original motion to include the
21 eliminations of the \$1 million capital expenditures budget to complete the power plant project and
22 the \$1 million transfer from un-appropriated retained earnings to fund that project. Councilman
23 Irvine seconded the amended motion and voting was unanimous.
24

25 **DISCUSSION ON EAST WIND – INVOICE APPROVAL**

26 The Council and Power Commission discussed the December 1, 2011 wind storm with
27 regard to costs, deployment of local and external labor crews and logistics in making repairs. It is
28 estimated that total costs as a result of the storm will be about \$1.2 million for labor, materials and
29 equipment. FEMA is expected to assist with these costs.
30

31 Most invoices from other municipalities/departments have already been paid, but Mr.
32 Christensen requested approval for payment of an invoice from Wasatch Electric in the amount of
33 \$17,351.14. Commissioner Cushing motioned to recommend payment of this invoice,
34 Commissioner Pitcher seconded the motion and voting was unanimous.
35

36 The City Council and Mayor were excused at this time.
37
38
39

40 _____
JOE L. JOHNSON, Mayor

41
42
43 _____
44 KIM J. COLEMAN, City Recorder
45

* * * * *